

2-141A057

ITEL

May 19, 1992

Itel Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 14937 A
MAY 20 1992 2:00 PM
INTERSTATE COMMERCE COMMISSION

MAY 20 2 00 PM '92
MORTGAGE UNIT

Re: Release and Termination ("Release")

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing pursuant to 49 U.S.C. Section 11303(a), together with \$48 in recordation and cross-indexing fees.

Please record the subject Release under the Mortgage dated as of October 1, 1979, as amended by a Letter Agreement dated February 6, 1984, among Citicorp North America, Inc., as successor to Citicorp Industrial Credit, Inc., Rex Railways, Inc., as successor to C&H Railways, Ltd., and Rex-Noreco, Inc., which was filed with the ICC on April 8, 1986, under Recordation No. 14937. Please cross index the subject Release under the Guaranty and Agreement dated as of October 1, 1979, as amended by a Letter Agreement, which was filed with the ICC on April 8, 1986, under Recordation No. 10902-A. Please cross-index the subject Release also under the Collateral Assignment between Rex Railways, Inc. and Citicorp North America, Inc., as successor to Citicorp Industrial Credit, Inc., which was filed with the ICC on July 23, 1986, under Recordation No. 14457-A.

The parties to the aforementioned instrument are listed below:

Citicorp North America, Inc. (Releasor)
450 Mamaroneck Avenue
Harrison, New York 10528

Rex Railways, Inc. (Releasee)
550 California Street
San Francisco, California 94104

The subject Release terminates in their entirety the Mortgage, the Management Agreement, the Collateral Assignment, the Rex Guaranty and the Rail Guaranty.

File
Cross
index
under
10902
+
14457

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May 19, 1992
Page Two

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

A handwritten signature in cursive script that reads "patricia schumacker". The signature is written in dark ink and is positioned above the printed name and title.

Patricia Schumacker
Legal Assistant

Enclosures

14937-A
MAY 20 1992 - 2 05 PM
INTERSTATE COMMERCE COMMISSION

RELEASE AND TERMINATION

RELEASE AND TERMINATION (THE "RELEASE") dated as of February 10, 1992, between **CITICORP NORTH AMERICA, INC.**, a New York corporation ("Citicorp"), and **REX RAILWAYS, INC.**, a New Jersey corporation ("Rex Railways").

WHEREAS, Twitter, Inc., as vendor ("Twitter"), Rex Railways, as manager, and Skiva International, Inc. ("Skiva"), as purchaser, were parties to a Conditional Sale Agreement dated as of February 13, 1979, as amended (as amended, the "CSA"), concerning one hundred (100) boxcars originally bearing reporting marks LCRC 2001-2100, inclusive (the "Equipment"); and

WHEREAS, Skiva purchased the Equipment from Twitter pursuant to the CSA; and

WHEREAS, Rex Railways and Skiva were parties to a Management Agreement dated as of February 13, 1979 (the "Management Agreement"), pursuant to which Rex Railways managed and maintained the Equipment for Skiva; and

WHEREAS, Rex Railways and the Lenawee County Railroad Company, Inc. ("LCRC") entered into an Equipment Schedule executed on October 4, 1978, by Rex Railways and on October 9, 1978, by LCRC (the "Equipment Schedule"), which amends the Lease Agreement made as of September 23, 1977 (the "Lease") between Rex Railways and LCRC, pursuant to which LCRC agreed to lease from Rex Railways, and Rex Railways agreed to lease to LCRC, the Equipment; and

WHEREAS, The Provident Bank ("Provident"), as lender, Twitter, as vendor, Rex Railways, as manager, Skiva, as borrower, and Rex-Noreco, Inc. ("Rex-Noreco"), parent of Rex Railways, were parties to a Finance Agreement dated as of February 13, 1979 (the "Finance Agreement"), pursuant to which Provident financed a portion of the purchase price of the Equipment; and

WHEREAS, Provident acquired substantially all of Twitter's interest in, to and under the CSA pursuant to an Agreement and Assignment dated as of February 13, 1979 (the "Agreement and Assignment"); and

WHEREAS, as security for the payment and performance of Skiva under the CSA and the Finance Agreement, Skiva assigned to Provident its right, title and interest in, to and under the Lease and the Management Agreement pursuant to a Lease Agreement Assignment dated as of February 13, 1979 (the "Lease Agreement Assignment"), and a Management Agreement Assignment dated as of February 13, 1979 (the "Management Agreement Assignment"), respectively; and

WHEREAS, pursuant to an Assignment dated as of March 15, 1979 (the "Assignment"), Skiva assigned to C&H Railways, Ltd. ("C&H") its interest in the Equipment,

① file under 14937;

② cross-index under
10902; and

③ cross-index under
14457.

the Finance Agreement, the Management Agreement, the Lease Agreement Assignment and the Management Agreement Assignment; and

WHEREAS, C&H prepaid the Conditional Sale Indebtedness (as defined in the CSA) and all other amounts owed Provident under the CSA and under the Finance Agreement with funds borrowed from Citicorp Industrial Credit, Inc. ("CIC") pursuant to a Mortgage dated as of October 1, 1979, between CIC and C&H, as amended by a letter agreement dated as of February 6, 1984 (the "Letter Agreement"), among Rex Railways, Rex-Noreco, CIC and C&H, which Letter Agreement was filed with the Interstate Commerce Commission ("I.C.C.") pursuant to 49 U.S.C. Section 11303(a) on April 8, 1986, and given Recordation No. 14937 (as amended by the Letter Agreement, the "Mortgage"); and

WHEREAS, pursuant to the Mortgage, C&H pledged the Equipment and its rights in the Lease and the Management Agreement to CIC as security for the loan made by CIC to C&H; and

WHEREAS, Rex Railways, Rex-Noreco and CIC entered into a Guaranty and Agreement dated as of October 1, 1979, as amended by the Letter Agreement (as amended by the Letter Agreement, the "Rex Guaranty"), pursuant to which Rex Railways and Rex-Noreco guaranteed the obligations of C&H under the Mortgage, which Guaranty and Agreement was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on April 8, 1986, and given Recordation No. 10902-A; and

WHEREAS, as additional security for the payment and performance obligations of Rex Railways under the Rex Guaranty, Rex Railways assigned to CIC all of its right, title and interest in all sums due and to become due under a lease for ninety (90) boxcars dated as of July 6, 1984, between Rex Railways and Chicago and North Western Transportation Company, pursuant to a Collateral Assignment (the "Collateral Assignment"), between Rex Railways and CIC, which Collateral Assignment was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on July 23, 1986, and given Recordation No. 14457-A; and

WHEREAS, Citicorp is successor in interest to CIC, and Rex Railways is successor in interest to C&H; and

WHEREAS, Itel Rail Corporation ("Itel Rail"), parent of Rex Railways and Rex-Noreco, guaranteed the obligations of Rex Railways and Rex-Noreco under the Rex Guaranty pursuant to a Guaranty and Agreement dated as of November 8, 1990 (the "Rail Guaranty"), between Itel Rail and Citicorp; and

WHEREAS, Rex Railways' obligations under the Mortgage were paid in full on February 10, 1992, and the Mortgage, the Collateral Assignment, the Rex Guaranty and the Rail Guaranty have all expired by their terms; and

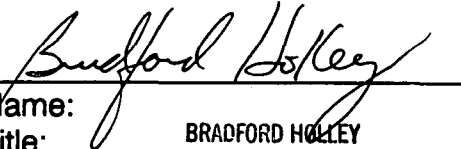
WHEREAS, Rex Railways and Citicorp desire to make the termination of the Mortgage, the Management Agreement and the Collateral Assignment a matter of public record, and to make clear upon the public record that the Rex Guaranty and the Rail Guaranty have been extinguished.

NOW, THEREFORE, Citicorp and Rex Railways agree as follows:

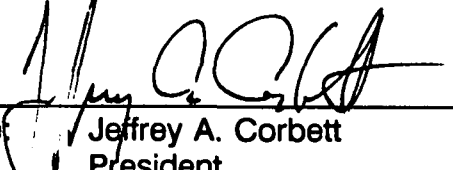
1. Effective as of February 10, 1992, the Mortgage, the Management Agreement and Collateral Assignment are hereby terminated in their entirety, except as to any rights and obligations that may, by their express terms, survive expiration or termination.
2. Citicorp fully, completely and irrevocably releases any interest it has or might have in and to the Equipment (which is identified on Schedule I attached hereto), and to all other collateral in which it has or may have an interest pursuant to the Mortgage and the Collateral Assignment.
3. Citicorp acknowledges that the Rex Guaranty and the Rail Guaranty have been extinguished, effective as of February 10, 1992, and hereby releases IteL Rail, Rex Railways and Rex-Noreco from all obligations thereunder. In consideration for such release and extinguishing, Rex Railways agrees to cause IteL Rail to execute and deliver to Citicorp a guaranty of any obligations of Rex Railways under the Mortgage that may, by their express terms, survive expiration or termination. Such guaranty shall be in a form to be agreed upon by the parties.
4. Citicorp will, at Rex Railways' expense, from time to time, do and perform any other act and will execute and acknowledge any and all further instruments required by law or reasonably requested and prepared by Rex Railways in order to release or convey to Rex Railways any interests which Citicorp has or may have in the Equipment.
5. This Release shall be governed by and construed in accordance with the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

IN WITNESS WHEREOF, the parties have executed and delivered this Release as of the date first above written.

CITICORP NORTH AMERICA, INC.

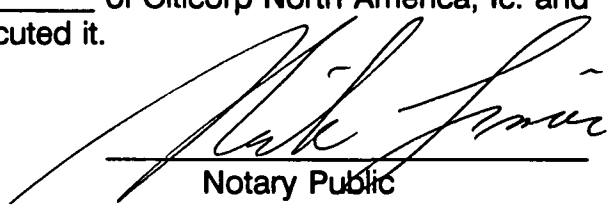
By 
Name: _____
Title: BRADFORD HOLLEY
Assistant Vice President

REX RAILWAYS, INC.

By 
Name: _____
Title: Jeffrey A. Corbett
President

STATE OF)
) ss.
COUNTY OF)

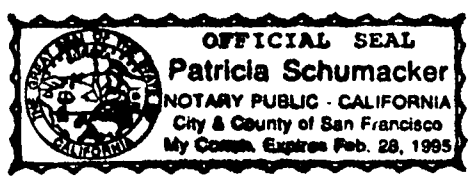
On this ____ day of MAY, 1992, before me personally appeared BRADFORD HOLLEY personally known to me to be the person who executed the within instrument as ASSISTANT VICE PRESIDENT of Citicorp North America, Ic. and acknowledged to me that the corporation executed it.

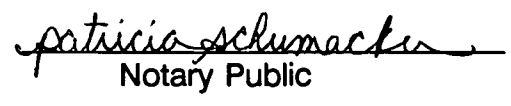

Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

NICK LIMAR
NOTARY PUBLIC, STATE OF NEW YORK
NO. 4512348
QUALIFIED IN ORANGE COUNTY
COMMISSION EXPIRES SEPTEMBER 30, 1993

On this 15th day of May, 1992, before me personally appeared Jeffrey A. Corbett, personally known to me to be the person who executed the within instrument as President of Rex Railways, Inc. and acknowledged to me that the corporation executed it.




Notary Public

SCHEDULE I

The boxcars listed below, together with all accessories, parts, appurtenances, repairs, replacements, substitutions, attachments, modifications, renewals, additions, improvements, upgrades and accessions and accumulations thereto (the "Cars"); and

DESCRIPTION OF EQUIPMENT

<u>Reporting Mark</u>	<u>No. of Cars</u>	<u>Description of Equipment</u>
GTRA 2000-2064	65	50 foot boxcars; built by Pullman Incorporated (Pullman Standard Division)
MACO 155-189	35	50 foot boxcars; built by Pullman Incorporated (Pullman Standard Division)

TOTAL: 100